Missouri’s employers have open positions that they want to fill, but they struggle to find qualified applicants. It’s a situation that should spell opportunity for anyone who is ready to embark upon a career; however, “qualified” is the key word here. Conventional wisdom tells us that a college degree is the key to a good job, but what if you don’t have the resources or the time to invest in a 4-year college degree?

Fortunately, the findings from a recent nationwide survey conducted by Gallup, the Strada Education Network, and the Lumina Foundation, suggest that a college degree isn’t necessarily the only thing that employers are interested in. Researchers looked at two types of credentials that can be earned without a college degree and measured their impact on the employability and the earning power of the people who earned them. The credentials studied were the following:

- Certificates “awarded by educational institutions for completion of professionally oriented courses that typically represent a year or less of work.”
- Certifications “awarded by independent bodies that verify specific skills and competencies through testing”

The survey looked at adults 18 to 65 years old who had no postsecondary degree and compared
those who had earned a certificate/certification with those who had not. The results suggest that earning a credential offers some real benefits in terms of employment rate and income.

<table>
<thead>
<tr>
<th></th>
<th>Percentage employed full-time</th>
<th>Median income</th>
</tr>
</thead>
<tbody>
<tr>
<td>With credential</td>
<td>85%</td>
<td>$45,000</td>
</tr>
<tr>
<td>Without credential</td>
<td>78%</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

It's important to note that the study involved subjects of widely varying educational levels. Some had been to college (but hadn't earned a 4-year degree), while others hadn't completed high school. Those who hadn't finished high school are overrepresented in the non-credentialed group, while those who had gone to vocational/technical school are overrepresented in the credentialed group. This means that we can't easily separate the effect of the credential from the effect of the amount of education a participant has had.

However, the study also found a benefit to having a credential among low-, middle-, and high-income earners:

**CERTIFICATE/CERTIFICATION HOLDERS HAVE HIGHER PERSONAL INCOME**

<table>
<thead>
<tr>
<th>Income quartile</th>
<th>Median personal income</th>
</tr>
</thead>
<tbody>
<tr>
<td>25th</td>
<td>$18,000</td>
</tr>
<tr>
<td>50th</td>
<td>$27,000</td>
</tr>
<tr>
<td>75th</td>
<td>$30,000</td>
</tr>
</tbody>
</table>
\[ $45,000          |
\[ $54,000          |
\[ $75,000          |

Source: Strada-Gallup Education Consumer Survey

There's strong evidence that educational programs that result in students earning these certifications provide real benefits, but what does that mean for Missouri?

It could mean a lot, especially with respect to prioritizing needs when allocating the money Missouri spends on education. Credentialing programs appear to offer a positive return to students on the money invested in them. So why can't these programs capture the imaginations of the public (and of policymakers) in the way that things like pre-K programs do—even though the case for the long-term benefits of pre-K is anything but ironclad?

Nothing against imagination, but when making spending decisions, policymakers are better off being guided by the facts. Although this survey covered adults aged 18 to 64, investing in high schoolers so they can earn industry-recognized credentials could help students leave high school
qualified to enter the Missouri workforce immediately. In this case, the facts are lining up behind credentialing programs as a possible way to help Missouri’s workers and employers alike.

About the Author

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Abigail Burrola graduated from Azusa Pacific University with a bachelor’s degree in political science in 2018.

Read Online

https://showmeinstitute.org/blog/employment-jobs/what-can-credentials-get-you

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Mission Statement

Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

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